

YOUR TOWN HALL

Middletown Goes to MCIA To Consolidate 2009 Bonds

At a special Township Committee meeting that was held on Thursday, December 17th at 5:30pm, a resolution (09-281) was voted on to consolidate the past years' bond ordinances. There are three major bond ordinances that were passed this year and will be consolidated into one bond. The Monmouth County Improvement Authority (MCIA) will finance this one bond for an amount of \$5,966,000.

The Monmouth County Board of Chosen Freeholders formed the Monmouth County Improvement Authority in 1986 as a conduit to cost-saving alternatives to the traditional methods of public capital finance for municipalities, boards of education, local and regional utility authorities and other local and county government entities.

The bond ordinances, adopted by Middletown include ordinance numbers 2009-2963, 2009-2985 and 2009-2986. Ordinance 2009-2963 was for various road improvements in the amount of \$870K and \$771,281.13 will be financed through the MCIA. Ordinance 2009-2985 was in the amount of \$4,645,250 and to be used for other various road improvements and structural improvements to township buildings. \$3,949,144.17 will be financed in this resolution. Under ordinance 2009-2986 \$1,245,574.70 of the total \$1,405,000 will be refinanced. This ordinance was passed to fund improvements to various parks in Middletown.

As part of this resolution the Township of Middletown has agreed to pay all costs and expenses, including legal fees, in connection with the administration and enforcement of this bond in addition to its share of the amounts payable between the Authority and the town.

The following pages contain a copy of this resolution as it was voted upon.

Resolution No. 09-281

RESOLUTION AUTHORIZING BONDS AGGREGATING THE PRINCIPAL SUM OF \$5,966,000 AUTHORIZED BY THREE BOND ORDINANCES HERETOFORE ADOPTED TO FINANCE PART OF THE COST OF VARIOUS GENERAL IMPROVEMENTS IN THE TOWNSHIP OF MIDDLETOWN, COUNTY OF MONMOUTH, NEW JERSEY INTO ONE CONSOLIDATED ISSUE OF BONDS AND PROVIDING FOR THE FORM, MATURITIES AND OTHER DETAILS OF SAID CONSOLIDATED ISSUE.

Adopted: December 17, 2009

WHEREAS, the Township Committee of the Township of Middletown, in the County of Monmouth, New Jersey (the "Township"), has heretofore adopted three bond ordinances authorizing bonds to finance part of the cost of various general improvements in said Township; and

WHEREAS, it is necessary to issue bonds pursuant to said ordinances in an aggregate principal amount of \$5,966,000 and it is deemed advisable and in the best interests of the Township, for the purpose of the orderly marketing of said bonds and for other financial reasons, to combine the bonds authorized under said three ordinances into one consolidated issue in the aggregate principal amount of \$5,966,000 pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the Revised Statutes of New Jersey; NOW, THEREFORE,

BE IT RESOLVED BY TOWNSHIP COMMITTEE OF THE TOWNSHIP OF MIDDLETOWN, IN THE COUNTY OF MONMOUTH, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) that:

Section 1. There shall be issued bonds of the Township in the following principal amounts pursuant to the following bond ordinances:

A. \$771,281.13 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 2009-2963):

"BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$870,000 FOR VARIOUS ROAD IMPROVEMENTS BY AND FOR THE TOWNSHIP OF MIDDLETOWN IN THE COUNTY OF MONMOUTH, NEW JERSEY AND AUTHORIZING THE ISSUANCE OF \$826,500 IN BONDS OR NOTES OF THE TOWNSHIP FOR FINANCING PART OF THE APPROPRIATION"

heretofore finally adopted. The average period of usefulness stated in said ordinance is 20 years.

B. \$3,949,144.17 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 2009-2985):

“BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$4,645,250 FOR VARIOUS CAPITAL IMPROVEMENTS BY AND FOR THE TOWNSHIP OF MIDDLETOWN IN THE COUNTY OF MONMOUTH, NEW JERSEY AND AUTHORIZING THE ISSUANCE OF \$4,231,878 IN BONDS OR NOTES OF THE TOWNSHIP FOR FINANCING PART OF THE APPROPRIATION”

heretofore finally adopted. The average period of usefulness stated in said ordinance is 14.96 years.

C. \$1,245,574.70 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 2009-2986):

“BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$1,405,000 FOR VARIOUS PARK IMPROVEMENTS BY AND FOR THE TOWNSHIP OF MIDDLETOWN IN THE COUNTY OF MONMOUTH, NEW JERSEY AND AUTHORIZING THE ISSUANCE OF \$1,334,750 IN BONDS OR NOTES OF THE TOWNSHIP FOR FINANCING PART OF THE APPROPRIATION”

heretofore finally adopted. The average period of usefulness stated in said ordinance is 15 years.

Section 2. The bonds referred to in Section 1 hereof are hereby combined into one consolidated issue of bonds in the aggregate principal amount of \$5,966,000 and are sometimes hereinafter collectively referred to as the “Bonds.” The bonds referred to in Subsections A to C shall be designated “General Improvement Bonds, Series 2009” and shall be numbered with the prefix G from one (1) consecutively upward. The bonds of said consolidated issue shall be dated the date of delivery of the Bonds and will be issued in fully registered form.

The Bonds shall bear interest and shall mature on December 1 of each of the following years and in the following principal amounts:

General Improvement Bonds

Maturity Date	Principal Amount	Interest Rate	Maturity Date	Principal Amount	Interest Rate
2010	\$293,000	2.50%	2018	\$409,000	4.00%
2011	235,000	2.50	2019	425,000	4.00
2012	330,000	2.50	2020	442,000	5.00
2013	339,000	2.50	2021	465,000	5.00
2014	355,000	2.50	2022	488,000	5.00
2015	364,000	4.00	2023	512,000	5.00

Maturity Date	Principal Amount	Interest Rate	Maturity Date	Principal Amount	Interest Rate
2016	378,000	4.00	2024	538,000	
2017	393,000	4.00			5.00

The Bonds maturing on or prior to December 1, 2019 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after December 1, 2020 are subject to redemption at the option of the Township on or after December 1, 2019 upon notice as described in a bond resolution adopted by the Monmouth County Improvement Authority on November 20, 2009, either in whole or in part by lot within a single maturity from maturities selected by the Township, on any date, at a redemption price equal to 100% of the principal amount thereof (the "Redemption Price"), plus in each case accrued interest to the date fixed for redemption.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption.

Section 3. It is hereby found, determined and declared that the average period of usefulness of the improvements or purposes for which the said General Improvement Bond is to be issued, taking into consideration the amount of such General Improvement Bond to be issued for said improvements or purposes, is 15.61 years.

Section 4. The Bonds shall be payable as to interest at the corporate trust office of The Bank of New York Mellon, payable semi-annually on May 15 and November 15 prior to each June 1 and December 1 in each year until maturity, commencing on June 1, 2010, and payable as to principal at the corporate trust office of The Bank of New York Mellon, payable on November 15 prior to each December 1, commencing on December 1, 2010. Interest on the Bonds shall be calculated on the basis of a 360-day year or twelve 30-day calendar months.

Section 5. The Bonds shall be signed by the Mayor or Deputy Mayor and the Township Chief Financial Officer, by their manual or facsimile signatures, and the corporate seal of the Township shall be affixed thereto, or imprinted or reproduced thereon and shall be attested by the manual or facsimile signature of the Clerk or Deputy Clerk of the Township.

Section 6. The Bonds are hereby sold and awarded to the Monmouth County Improvement Authority at the price of \$6,507,212.67. The Mayor and Deputy Mayor are hereby authorized on behalf of the Township to execute the Bond Purchase Agreement by and between the Township and the Monmouth County Improvement Authority and the Continuing Disclosure Agreement by and between the Township and The Bank of New York Mellon.

Section 7. The Bonds and the registration provisions endorsed thereon shall be in substantially the following form:

No. 2009 G_-

**UNITED STATES OF AMERICA
STATE OF NEW JERSEY
COUNTY OF MONMOUTH**

**TOWNSHIP OF MIDDLETOWN
GENERAL IMPROVEMENT BOND, SERIES 2009**

DATE OF
ORIGINAL
ISSUE: December __, 2009

TOWNSHIP OF MIDDLETOWN in the County of Monmouth, New Jersey, hereby acknowledges itself indebted and for value received promises to pay to

**THE MONMOUTH COUNTY IMPROVEMENT
AUTHORITY (the "Authority")
c/o The Bank of New York Mellon
(the "Trustee")**
Account No. _____

the principal sums on the dates and in the amounts set forth on Schedule A attached hereto and made a part hereof and to pay interest on such sum from the DATE OF ORIGINAL ISSUE of this bond until payment in full at the interest rates per annum and in the amounts shown on Schedule A attached hereto and made a part hereof. Interest is payable to the Authority at the corporate trust office of the Trustee on the May 15 and November 15 prior to each June 1 and December 1, commencing June 1, 2010, in an amount equal to the interest accruing to each such June 1 and December 1. This bond as to principal will be payable on the fifteenth day of the month immediately preceding the due date therefor at the corporate trust office of the Trustee. Amounts not paid when due hereunder shall bear interest at the Late Payment Rate until paid. This bond shall be prepayable as set forth in Section 1303 of the bond resolution adopted by the Authority on November 20, 2009 (as the same may be supplemented and amended, the "Resolution").

Both principal of and interest on this bond is payable in lawful money of the United States of America and in immediately available funds.

As used herein, "Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State of New Jersey or the State of New York or a day on which the Trustee is legally authorized to close. "Late Payment Rate" shall mean a rate per annum equal to the lower of (i) the greater of three percent above the interest rate that JPMorgan Chase publicly announces from time to time as its prime lending rate, such interest rate to change on the effective date of each announced change in such rate and (ii) the maximum interest rate allowed by law.

The Bonds maturing on or prior to December 1, 2019 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after December 1, 2020 are subject to

redemption at the option of the Township on or after December 1, 2019 upon notice as described in a bond resolution adopted by the Authority on November 20, 2009, either in whole or in part by lot within a single maturity from maturities selected by the Township, on any date, at a redemption price equal to 100% of the principal amount thereof (the "Redemption Price"), plus in each case accrued interest to the date fixed for redemption.

This bond is one of an authorized issue of bonds and is issued pursuant to the Local Bond Law of New Jersey, and is one of the Bonds referred to in a resolution of the Township of Middletown adopted on December 17, 2009 and entitled "Resolution Authorizing Bonds Aggregating the Principal Sum of \$5,966,000 Authorized By Three Bond Ordinances Heretofore Adopted To Finance Part Of The Cost of Various General Improvements In The Township of Middletown, County of Monmouth, New Jersey into One Consolidated Issue of Bonds and Providing for the Form, Maturities and Other Details of Said Consolidated Issue," and the bond ordinances referred to therein, each in all respects duly approved and published as required by law.

The full faith and credit of the Township of Middletown are hereby irrevocably pledged for the punctual payment of the principal of and the interest on, and all other amounts due under, this bond according to its terms.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of New Jersey to exist, to have happened or to have been performed precedent to or in the issuance of this bond exist, have happened and have been performed and that the issue of bonds of which this is one, together with all other indebtedness of the Township of Middletown, is within every debt and other limit prescribed by such Constitution or statutes.

The Township of Middletown agrees to pay (i) all costs and expenses (including legal fees) in connection with the administration and enforcement of this bond and (ii) its share of the amounts payable pursuant to Section 9(vi)(B) of the Bond Purchase Agreement between the Township of Middletown and the Authority.

IN WITNESS WHEREOF, the TOWNSHIP OF MIDDLETOWN, in the County of Monmouth, New Jersey has caused this bond to be executed in its name by the manual or facsimile signatures of its Mayor or Deputy Mayor and its Chief Financial Officer, its corporate seal to be hereunto imprinted or affixed, this bond and the seal to be attested by the manual signature of its Township Clerk, and this bond to be dated the DATE OF ORIGINAL ISSUE as specified above.

TOWNSHIP OF MIDDLETOWN

By: _____
Pamela M. Brightbill, Mayor

ATTEST:

Heidi R. Brunt, Clerk

By: _____
Debbie Ball, Acting Chief Financial
Officer

(Assignment Provision on Back of Bond)

ASSIGNMENT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ . (Please Print or Type Name and Address of Assignee) the within bond and irrevocably appoints _____ as Attorney to transfer this bond on the registration books of the _____ with full power of substitution and revocation.

NOTICE

The signature of this assignment must correspond with the name as it appears on the face of the within bond in every particular.

Dated:

Signature of Guarantee:

SCHEDULE A

TOWNSHIP OF MIDDLETOWN GENERAL IMPROVEMENT BONDS

Schedule of Principal and Interest Payments

Maturity Date (December 1)	Principal Amount	Interest
2010	\$293,000	2.50%
2011	235,000	2.50
2012	330,000	2.50
2013	339,000	2.50
2014	355,000	2.50
2015	364,000	4.00
2016	378,000	4.00
2017	393,000	4.00
2018	409,000	4.00
2019	425,000	4.00
2020	442,000	5.00
2021	465,000	5.00
2022	488,000	5.00
2023	512,000	5.00
2024	538,000	5.00